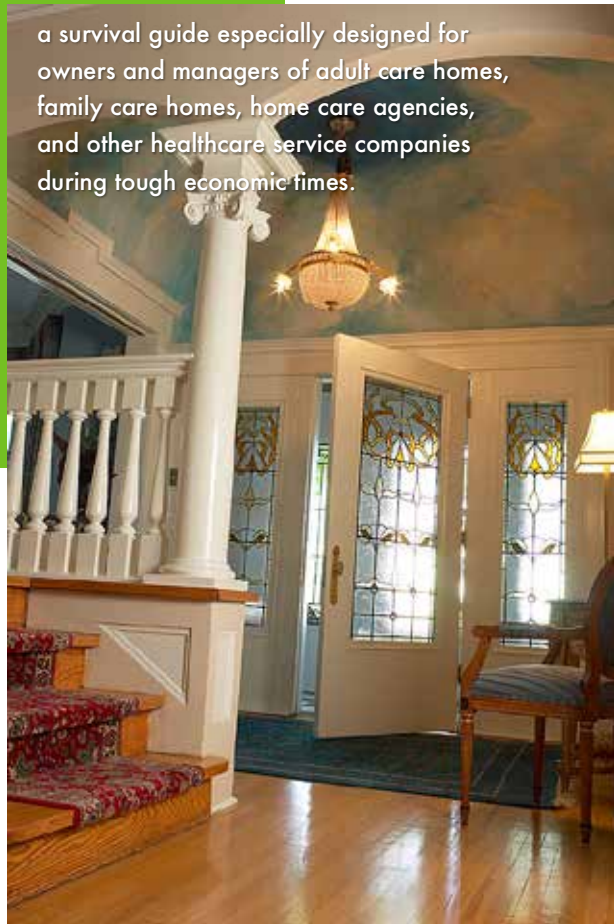


Survival guide

TOP 10 SURVIVAL TACTICS FOR SENIOR CARE FACILITIES OWNERS DURING TOUGH ECONOMIC TIMES

a survival guide especially designed for owners and managers of adult care homes, family care homes, home care agencies, and other healthcare service companies during tough economic times.



Stay afloat during troubled economic times.

Crimson Cardinal Healthcare Intermediary offers 10 survival tactics to keep you sailing when others around you might be sinking.

Top 10 Survival Tactics for Adult Care Home Owners.

To survive during tough economic times, consider these management actions:

1. Restructure the mortgage to reduce monthly payments.
2. Collect delinquent receivables.
3. Increase occupancy rates by offering incentives.
4. Audit invoice records for unbilled fees.

5. Reassess staffing needs and job roles.
6. Minimize overtime pay.
7. Seek volunteer help.
8. Join shoppers discount clubs.
9. Reduce utility costs by using energy wisely and conserving fuel.
10. Use a professional to help you minimize your tax burden.

Restructure the Mortgage to Reduce Monthly Payments. You can reduce your monthly mortgage as much as 21% by refinancing an existing 15-year loan into a 25-year loan. If you stretch it to 40 years, you can drop your monthly payment almost 30%. Save precious cash during tough time. You can make prepayments or

accelerated payments when times get better.

Collect Delinquent Receivables. Check your books. Call the financial responsible party of any delinquent resident. Get them to bring the check to your office today. Institute a policy of electronic funds transfer for any past due accounts. Charge accordingly for set-up and processing fees.

Increase Occupancy Rates by Offering Incentives. Adult care homes have relatively higher fixed costs than most small businesses. Get and keep your occupancy rate at or above 85%. Offer move-in specials. Give employee bonuses for getting new tenants signed up. Call an affiliate owner or other senior care provider you know and

get a few prospective tenants. Offer her/him a finder's fee.

Audit Invoice Records for Unbilled Fees. Are you charging for all your pass-through expenses? Are residents properly classified based on standard of care? Did you audit each resident's record since date of admission? If the resident's status changed, did the billing rate change at the same time?

Reassess Staffing Needs and Job Roles. Can the same job get done with fewer people while maintaining state required staffing ratios and standard of care? Can you vendor out any work and save money? Can you do more yourself? Can family members help?

Minimize Overtime Pay. Consider staggering shifts to increase coverage and reduce overtime. Can exempt staff perform more tasks?



Seek Volunteer Help. Charitable organizations often volunteer for certain activities that help our seniors. Contact local churches, youth clubs, and professional organizations. Get assistance with yard work, minor chores, and senior social events.

Join Shoppers Discount Clubs. Membership shoppers' clubs can save you money on food and supplies. Buy in bulk and store in the freezer or cupboard. Reduced visits to the store will save on fuel and transportation costs.

Reduce Utility Costs By Using Energy Wisely and Conserving Fuel. Good insulation will save you money. Get your heat pump or other HVAC equipment checked regularly. Install energy-efficient lighting and appliances.

Use a Professional to Help You Minimize Your Tax Burden. Certified Public Accountants are worth their weight in gold. Get and keep a good CPA. He will keep you informed of changes in the tax law that can help your assisted living facility. If you're getting a huge refund or making a large tax payment, a CPA can help you even out those swings in cash flow.

About the Author

Nat James is Broker-in-Charge of Crimson Cardinal Healthcare Intermediary, a division of Crimson Cardinal Realty LLC. We are a Durham, NC-based real estate and business brokerage firm focused on the needs of owners and managers of adult care homes, family care homes, and home care agencies. Mr. James can be reached at 919-213-1313 or via email at njames@crimsoncardinalllc.com. Visit us on the Internet at cchealthcareintermediary.com for more information.

Visit us on the Internet. We provide many tools to assist you in managing your adult care home. Learn about our Exit Plan program and purchase an Exit Plan Kit.

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